collected and will be laid on the Table of the House.

Stink of another stock scam

991. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been invited to the news-item appearing in the "patriot", New Delhi dated 28th June,1994, under the caption "Stink of yet another stock scam";

(b) if so, the facts of the matter;

(c) the reaction thereto. and

(d) what timely steps Government have taken to balk it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) It has been noticed that in some of the recent public issues, large scale benami share applications have been lodged using the instrument of 'Stockinvest'. The Income Tax Department had conducted an investigation into the allegation of a large number of applications made in fictitious names in respect of the public issue of equity shares by State Bank of India and had seized certain share certificates and refund orders from the office of the Registrars to the issue. The Income Tax Department had also restrained the Registrars from despatching some share certificates and refund orders. State Bank of India had advised the Registrars to reject all multiple and benami applications besides incomplete or inaccurately filled applications.

(c) and (d) The Reserve Bank of India (RBI) had conducted a scrutiny of the operation of the Stockinvest scheme at the branches of a few banks in Bombay and Ahmedabad. This revealed irregularities in the working of the scheme such as issue of stockinvest in bulk to share brokers, corporate bodies and financial institutions, issue of stockinvest against inadequate deposit, issue of predated stockinvest and transfer of stockinvest to third parties. RBI brought these irregularities to the notice of the the banks concerned with instructions to initiate immediate action to rectify the irregularities, including fixation of staff accountability.

The Working Committee of the Stockinvest Scheme consisting of representatives of Securities and Exchange Board of India, Indian Banks Association and Reserve Bank of India reviewed the working of the scheme at its meeting held on June 29, 1994 and suggested some modifications in the scheme to prevent the recurrence of irregularities in its working.

World Development Report

992. SHRI ASHOK MITRA:
SHRI K. R. MALKANI:
SHRIMATI RENUKA CHOWDHURY:

Will the Minister of FINANCE be pleased to state:

(a) whether the latest World Development Report by the World Bank came out against Government underwriting of a minimum return for infrastructural investments by the private sector;

(b) if so, whether Government will reconsider the decision to guarantee a minimum rate of return in the power sector on investments by foreign companies; and

(c) whether Government proceeded nonetheless to underwrite the returns for foreign private power plants; and

(d) whether Government would consider to accord the same treatment to domestic public undertakings such as Bharat Heavy Electricals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEHAR MURTHY): (a) The report discusses different aspects like

the need, improvement, maintenance, investment and participation by Govt./Private Sectors in the area of infrastructure. The rate of return and contractual compliance guarantee are some of the aspects discussed in the report.

(b) and (c) The tariff notification issued by the Ministry of Power provides for a return of 16 per cent on the equity relatable to the generating units at the plant load factor of 68.5 per cent and an incentive of upto .7 per cent raise in ROE for each 1 per cent raise in PLF above 68.5 per cent. These are considered as reasonable returns and would be applicable to all the projects cleared after 31-3-92.

(d) The tariff notification issued by Government of India is intended to regulate tariff by Generating Companies to State Electricity Boards as per Section 43(A) of Electricity Supply Act, 1948. The rate of return to be earned by BHEL are covered by the general directives issued by the Department of Public Enterprises etc.

Conference of Income Tax Commissioners

993. SHRI ANANT RAM JAISWAL :
SHRI SATYA PRAKASH MALAVIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a three-day Conference of Income-tax Commissioners of the country was held in Delhi recently;

(b) if so, what were the subjects discussed in the Conference stating the outcome and the decision, if any, taken by Government in the matter;

(c) whether Government are aware of the income due on Cine Stars;

(d) if so, whether Government will apply the same procedure for collecting the total amount of Income Tax from the Cine Stars as applied with the general taxpayers stating the time-limit fixed for it; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir. An All India Conference of Chief Commissioners and Commissioners of Income-tax was held in New Delhi on 13th, 14th and 16th May, 1994.

(b) The following subjects were discussed in the Conference:—

(i) Budget collection and Action Plan.

(ii) Widening the tax base.

(iii) Assessment Procedure—Reforms.

(iv) Income Tax Administration.

(v) Search and seizure, survey and prosecution.

(vi) Modernisation and computerisation in the Income Tax Department.

On the basis of the recommendations made in the Conference, the following major decisions were taken:—

(i) Targets for Budget collections have been made.

(ii) Targets for reduction of arrear demand and also for cash collection out of the arrear and current demand have been set.

(iii) A new simplified return form (form 2A) has been introduced.

(iv) Returns showing income below certain limits will be excluded from the purview of detailed scrutiny during the financial year 1994-95 while all cases where positive information of evasion is available will be compulsorily scrutinised.

(v) A new administrative procedure where, a range Deputy Commissioner of Income-tax, instead of the Assessing Officer, will be the focal point, will be experimented.

(c) Yes, Sir.